

Washington, DC – Today Congresswoman Gwen Moore (D-WI) and Congressman Harold (Hal) Rogers (R-KY) reintroduced the Securing Equity for the Economic Development of Low-Income Areas Act (SEED Act). The bill would reauthorize and expand the New Markets Venture Capital Program, which was created to make equity investments in small businesses located in economically distressed communities in urban and rural areas. The SEED Act would provide \$100 million in bond guarantees and \$25 million for operational assistance grants to fund the creation of a fresh round of NMVC companies.

“The SEED Act will bring investment to underserved areas that continue to be ignored by conventional venture capital firms,” said Congresswoman Moore. “Small businesses are the backbone of our economy, accounting for nearly half of all jobs in this country. Increased investment in small businesses can lead to the creation of new jobs and generate much needed economic development in areas that have experienced better days.”

“Ingenuity and hard work are embedded qualities in Kentucky’s rural communities, but a lack of financing often keeps great ideas from getting off the ground,” Congressman Rogers said. “In these challenging economic times, this legislation is of utmost importance and will provide money to help enterprising businesses gain access to the capital funds and operational assistance needed to create new jobs.”

The NMVC Program was established in 2000 for the purpose of making equity investments in small businesses located in economically distressed communities. The initiative funds the creation of NMVC companies, regional venture capital firms that can leverage equity capital to invest in these small businesses. Six such companies have been formed through the program and they have invested more than \$48 million in 75 companies, all of which are based in low-income communities.

Despite the program’s success, it has not received funding for several years. Congresswoman Moore has led recent efforts to restore the program’s funding so that additional small businesses in low-income communities can benefit from the financing and operational assistance provided by NMVC companies.

“This bill is about investing in areas with great potential for job growth, and it’s about making sure that we are conscientiously including low-income communities in our economic recovery efforts,” the Congresswoman said.

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